

SECTIONAL ANALYSIS

Section 1 (State Department Proposal)

P.L. 402 now authorizes three "means" to be used by the educational exchange service in cooperating with other nations to achieve the objectives of the Act. This adds a fourth authorizing the development of projects in these fields.

It has been found that the continuity of carefully planned educational exchange projects engender binational support and cumulative effectiveness which cannot be gained from single isolated exchanges.

This proposal would permit the establishment of Chairs in American Studies in educational institutions abroad utilizing American and American trained professors.

This provision would also permit the arranging for special seminars abroad. This would enable the bringing together of groups of American professors, lecturers and researchers, already abroad under this program or the Fulbright program, for the purpose of presenting an intensive course in various phases of American subjects.

These special conferences would be attended by foreign nationals who had been exchange visitors under the program, as well as some foreign nationals who had not had such an experience. For the former, this would be a "refresher" or "follow-up" session where they could in a sense recharge their batteries and continue to shine brightly as advocates, among their people, for the things achieved through their experiences in the United States. For those attending such sessions who have not, and in many instances cannot, become exchangees, it will give them an insight into American studies and American educational techniques. For example, a group of foreign high school teachers of American history or English could attend such sessions, even though they might not be able to come to this country under this program. The cost would be small when compared with the cost of bringing them to this country.

It should be noted that the various provisions granting new authority which will require the expenditure of funds are all permissive in nature. No additional funds are to be requested by the Department for the implementation of the new provisions during fiscal year 1958, but certain changes will be made in programming to permit the use of some funds for the new activities. The estimated costs of each amendment, based on the planned program for 1958, are indicated at the end of the sectional analysis.

Section 2(a) (State Department Proposal)

Section 2(a) provides for the orientation of foreign nationals, in this country, who are not exchangees under the Government program. Orientation is now given to Government grantees. This would enable the same thing to be done for persons in this country under private programs, when such programs are similar to the one conducted by the Government under this Act and the orientation will help to accomplish the objectives of this Act. The Government can take advantage of the presence of such persons in this country and, at relatively small expense, give them something that will make them more effective witnesses for the United States when they return home.

Section 2(b) (State Department Proposal)

Section 2(b) will permit the Secretary to arrange for the attendance of nationals of cooperating countries at institutions of learning or places of study in any cooperating country.

This would be done sparingly, but situations arise where an activity of this type would be extremely helpful and most effective. For example, the Department might want to bring together a group of Latin American English teachers in say, Quito, Ecuador, to take an intensive course under American professors in the teaching of English as a foreign language.

The Department might find it desirable to bring together nationals of several Asiatic countries at the University of the Philippines for courses in American literature, American history, etc., either under American professors or under Filipino professors who had American training.

This provision would also permit the sending of nationals of other countries to such fine American schools as the American University of Beirut or Robert College. This is now permissible under the Fulbright Act and the Department feels it should also be authorized under the Smith-Mundt Act.

Section 3, Item 1 (State Department Proposal)

Item (1) of Section 3 will permit officers of State universities and land grant colleges to be considered for appointment to the U. S. Advisory Commissions. It is believed that such persons should be eligible. The inclusion of the provision would improve and simplify the procedures for the selection of persons for the Commissions in that it would enlarge the field from which members could be chosen and would make it unnecessary to examine State constitutions and statutes before selections are made from certain educational institutions. The members of these Commissions are appointed by the President and confirmed by the Senate.

This will solve a problem that exists, especially in connection with the membership of the Commission on Educational Exchange.

Section 3, Item 2 (USIA Proposal)

Item (2) of this section adds a new sentence to be added to section 602(a) of the Act to increase the membership of the Commission on Information from 5 to 7. The increased membership will provide a broader representation of American experience, knowledge and pursuits on the Commission.

Section 4 (Joint USIA and State Proposal)

The change in section 603 of the Act would permit both Advisory Commissions to report to the Congress annually rather than semi-annually as now required. In general, reporting on an annual basis would produce reports that would be more complete and meaningful because the programs are planned and administered in terms of one or more years. A period of one year is required to complete a single cycle. This change would not preclude the submission of interim reports, however, as a given situation might require.

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Section 5 (State Department Proposal)

Section 5 authorizes the Secretary of State to utilize Binational Commissions, created under the Fulbright Act, in administering the programs authorized in the Smith-Mundt Act. No authority is requested for creation of any new commissions. The use of the existing commissions in countries where programs are conducted under both acts will assure maximum coordination and acceptability of the combined program in the host country, at a minimum of additional expense under this Act. The budget of these commissions is subject to the approval of the Secretary of State.

Section 6, Item 1 (Joint USIA and State Proposal)

Section 6 amends section 801(6) of the Act so as to authorize the calling of meetings to obtain advice and assistance of private and public educational institutions and other similar organizations. This would permit better cooperation between governmental and non-governmental programs so that the effectiveness of both would be increased, especially in the exchange of persons area. Persons attending such meetings at the invitation of the Government would not require full field investigations of the kind conducted for persons employed or assigned to duty. Such investigations are not considered necessary since the persons attending would serve in advisory capacities only and would not have access to classified material.

There is general authority now under which individuals may be brought in for consultation and advice, but specific authority as a part of this Act would be extremely helpful in attracting the type of individuals needed for this program.

Section 6, Item 2 (Joint USIA and State Proposal)

Section 6 further amends section 801(6) of the Act so as to authorize an increase from \$10 to \$15 in the per diem rates payable to members of advisory commissions and committees. Such persons serve without compensation. The \$15 rate conforms to the general rate now prescribed for consultants and others serving without compensation. The authority requested would bring these commission and committee members under the general legislation prescribing rates of per diem for experts and consultants serving the Government without compensation.

Section 7, Item 1 (USIA Proposal)

This section will permit the Information Agency to give assurances to private parties that assistance they render to the information program will not result in loss or damage to them.

For example, the Agency frequently borrows paintings and other art objects from private parties for distribution in its exhibits program. Naturally, it must give the owner assurance that, in case of loss or damage, he will be made whole.

The estimated cost of purchasing insurance to cover borrowed paintings and other objects for exhibit would be less than \$25,000 per year. The Agency also finds from time to time that prospective distributors and exhibitors of its films or kinescopes want the Agency's protection against claims by persons subsequently asserting ownership of rights in the films or kinescopes. This latter is an especially difficult situation because the intangible rights in motion pictures,

kinescopes and similar properties are manifold and exceedingly complicated and it is frequently necessary for the Agency to use materials in which full rights cannot be obtained or where the exact rights acquired by the Government cannot be ascertained.

The Agency is not able to estimate the extent of the liability which might be incurred by it under contracts indemnifying exhibitors of its films against third party claims. However, the Agency would not employ such contracts of indemnity except in unusual situations where the financial risk of the United States was outweighed by the benefits to be derived from the film showings. Few such situations are anticipated.

Section 7, Item 2 (Joint USIA and State Proposal)

Section 7 further provides authority for payment of emergency medical expenses for alien employees and participants in the program. The lack of authority to pay such expenses in emergency cases has given rise to serious problems.

Under the exchange program, foreign participants are really guests of this Government while in this country and the inability of the Government to meet their emergency hospital and medical expenses, which the individuals often are unable to meet, places them in an embarrassing position. The same is true of American participants abroad. Authority is requested also to pay the expense of travel incurred by reason of illness. In a number of instances, participants in the program have suffered mental or physical disorders that require their return home accompanied by an attendant. The proposed provision would permit payment of travel costs incurred under such circumstances.

It has been the policy of the Information Agency to bring selected local employees (foreign nationals) to the United States for orientation and indoctrination, and on occasion, it is necessary to send alien employees away from their homes or countries of residence to other countries on temporary duty. In the past, there has been no provision permitting the Agency to provide hospitalization and medical care for these alien employees in cases where they become ill while on assignment away from home. In the interests of good public relations and personnel policy, it is thought desirable that the Agency, in its discretion, be authorized to provide such care.

Section 7 further provides authority for the Information Agency to pay travel expenses of alien employees and their dependents, when such aliens are required for work in the U.S. or in countries other than their native ones.

At present, the Act does not permit the Agency to pay transportation expenses for dependents of these employees. When the information program was conducted by the Department, special authority to do this was available in the Department's annual appropriation acts. But, for unspecified reasons, such authority has been left out of the annual appropriation acts for the Agency. As a result, the Agency is presently in the difficult position of trying to hire persons native to other countries for essential positions in the United States without being able to pay the expenses of transporting their families to the United States. This limitation has created great difficulties in securing necessary foreign nationals, particularly those with language skills required by the Far East Division of the Voice of America for its broadcasting operations in Far Eastern languages.

Section 8 (State Department Proposal)

Section 8 of the bill amends section 902 of the Act to permit the acceptance of funds from international organizations of which the United States is a member for operation of programs authorized by the Act. Authority now exists for the acceptance of such funds from foreign governments. The additional authority is needed to permit this Government to assist in administering some of the fellowship programs of the United Nations. The funds would be accepted and used for only those specific projects for which they are made available by such organizations.

For example, under the United Nations Fellowship Program, a grantee from India seeks training of the type given in the Bureau of Standards. United Nations has the funds to pay for such training, but authority is needed to accept and use the funds.

This would grant such authority and would permit handling the project in the same way it would be handled had the request for training come directly from the Government of India.

Section 9 (State Department Proposal)

The change proposed in section 1008 would permit the Secretary of State to report to the Congress on the educational exchange program annually. He is now required to report semiannually. Since a year is required to meet a complete cycle of the exchange program, reports presented on this basis would be more complete and more meaningful.

Section 10, New Section 1012 (Joint State and USIA Proposal)

The new section 1012 permits the Secretary of State and the Director of the U. S. Information Agency to settle meritorious claims arising from activities of this Government in foreign countries. The expeditious settlement of such claims will aid immeasurably in maintaining and promoting friendly relations abroad.

The authority set out in the proposed new section 1012 for the settlement of claims abroad is patterned on the authority presently available to the Armed Services (31 USC 224(d)). The Department of State has very limited authority to settle tort claims abroad which is based on the domestic tort claims law (28 USC 2672). The Agency relies upon the language in its appropriation acts authorizing settlement of claims arising out of torts occurring in other countries in accordance with the domestic tort claims law. The domestic law authorizes only settlement of claims up to \$1000 for which the United States, if a private party, would have been liable under the law of the place where the tort occurred. This language makes the law difficult to apply abroad because of the great variation in notions of legal liability among different countries abroad, whose legal systems differ widely from the common law system in the United States. As a result, the Agency has been confronted with most difficult problems in connection with several claims which were border-line from the viewpoint of technical, legal liability but which did create substantial inequity.

The new provisions will also tend to reduce the number of cases in which American employees of the Department and the Agency, whose actions cause injuries or damage to the citizens of foreign countries, will be sued in foreign courts.

In view of the nature of the U. S. Information Agency operations and its special duty to create the best relations for the United States among foreign peoples, it is important that the Agency be able to settle and pay just claims of foreign nationals arising out of the actions of its agents and employees.

Section 10, New Section 1013 (USIA Proposal)

General. The authority of this section will enable the Agency to establish a career personnel system for the Agency's professional overseas officers, and enable the Agency to recruit and retain the best qualified persons available for its overseas service. Under its present authority, the Agency is limited to the appointment of Foreign Service Reserve and Staff Officers for its Foreign Service. When the Agency was established, it was recognized that this limited personnel authority granted to the new Agency under Reorganization Plan No. 8 and implementing Executive orders was not adequate. In the message he sent to the Congress with the Reorganization Plan, the President said:

"While these [personnel] arrangements will enable the new Agency to function with reasonable effectiveness from the outset, I do not consider them permanently suitable."

Professional overseas personnel of the Agency work with and under the same conditions as Foreign Service Officers of the Department of State in our diplomatic and consular establishments abroad. This section proposes, therefore, that, with certain stated exceptions, career officers of the Agency be made subject to the provisions of law which apply to Foreign Service Officers. Thus professional officers of both the Department of State and the Agency who work together under the same conditions in overseas establishments will be assured equality of treatment. Also, by applying the Foreign Service Officer system to the new career personnel system of the Agency, the Agency will be able to profit from the years of experience of the Department in administering the Foreign Service Officer Corps.

Subsection (a). The new category of officers to be established by the legislation will be known as U. S. Information Officers who will be required to pass examinations and meet qualifications and standards for appointment substantially equivalent to those required for Foreign Service Officers under the Act. Sufficient flexibility is provided in this subsection to permit the Agency to tailor its examinations to selection of officers with specific qualifications required by the program.

Subsection (b). Certain of the laws applicable to Foreign Service Officers are not pertinent to USIO's. Laws which pertain, for example, to Chiefs of Missions, Career Ambassadors or Career Ministers have no direct application to USIO's as such. This subsection, therefore, specifies the statutory authorities available to the Secretary of State which are not made available to the Director with respect to USIO's. The Director is not authorized by this section to appoint Foreign Service Officers or Consular Agents.

Certain authorities of the Foreign Service Act which are vested in the President, such as authority to regulate allowances and post differentials, have been delegated by Executive order to the Secretary of State. These delegated authorities of the Secretary of State are not made available to the Director under this section.

The Director will continue to have the authorities made available to him by the President under Executive orders implementing Reorganization Plan No. 8 which established the Agency.

Subsection (c). Two boards are established by subsection (c) to perform with respect to Agency Foreign Service personnel the functions vested by the Foreign Service Act in the Department of State Board for the Foreign Service and the Board of Examiners. The boards will perform functions with respect to all categories of Agency Foreign Service personnel as in the case of their counterparts in the Department.

Subsection (d). Under subsection (a), USIO's will be eligible to be commissioned as diplomatic or consular officers, or both, and for assignment to serve under such commissions in any diplomatic or consular capacity other than as a Chief of Mission. This subsection merely establishes procedures for commissioning and assigning USIO's in a diplomatic or consular capacity which will be the same as those now followed by the Agency and the Department of State in commissioning and assigning Foreign Service Reserve and Foreign Service Staff Officers of the Agency. No change in present arrangements is contemplated.

Under these procedures, the Director, when he considers it necessary to carry out the Agency's functions, will request the Secretary of State to recommend to the President that USIO's be commissioned as diplomatic or consular officers, or both, by and with the advice and consent of the Senate, or to assign USIO's so commissioned to serve in a diplomatic or consular capacity. In this way, the Secretary of State retains responsibility for commissioning Agency personnel and for their assignment to serve under their commissions in diplomatic or consular capacities. The Director retains authority over assignment and transfer of USIO's in other than diplomatic or consular capacities.

Subsection (e). Under subsection (a) of this section, USIO's will be subject to a retirement system established pursuant to the provisions of Title VIII of the Foreign Service Act which sets up a retirement system for Foreign Service Officers. The Agency would be required to follow all the provisions of the Foreign Service Act relating to retirement. This subsection makes it clear that the Agency will establish and administer an independent retirement fund on behalf of its USIO's, rather than participate in the State Department Fund. In setting up its system, the Agency will be guided by the experience of the Department of State and will follow to the greatest possible extent the regulations of the Department relating to its retirement system.

Subsection (f). To the extent that its needs will permit, the Agency intends to take advantage of the experience of the Department in the administration of the Foreign Service Officer Corps and to pattern its regulations after those of the Department. The Agency will continue to be bound by Government-wide regulations relating to allowances issued by the Department. Close coordination will be maintained with the Department in regard to such matters as policies and procedures with respect to appointments, promotions, assignments and separations. The Agency Board of the Foreign Service which is responsible for making recommendations to the Director on these matters will include a member designated by the Secretary of State.

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Subsection (g). Title VII of the Foreign Service Act is concerned with the establishment and operation of the Foreign Service Institute and with the general training and development of the personnel of the Service. This subsection makes it clear that the Agency will not have authority to establish a Foreign Service Institute to parallel that of the Department of State. The Agency will continue to make use of the facilities of the Foreign Service Institute of the Department under appropriate financial arrangements and will use those provisions of Title VII which pertain to training and development of Foreign Service Personnel in training and developing its USIO's. The provisions of Title VII which pertain to training and development of Foreign Service Reserve and Foreign Service Staff Officers are now available to the Agency under Reorganization Plan and Executive Order 10477.

Subsection (h). This subsection is intended to place on record that the enactment of the legislation is not to be construed as making permanent the separation of the information program from the Department. The overall effect of the section is to establish in the Agency a personnel system which will parallel that of the Department of State. The existence of parallel personnel systems would simplify the return of the program to the Department of State if such course should be decided upon.

Section 10, New Section 1014 (USIA Proposal)

The proposed section 1014 changes the name of the U. S. Information Agency to the U. S. Information Service. The reason for this proposal is that the overseas information offices and personnel of the United States have functioned for a number of years under the name of the "United States Information Service". After establishment of the United States Information Agency under that name by Reorganization Plan No. 8 of 1953, it was decided to preserve the title "United States Information Service" for all overseas operations of the Agency, because that name (USIS) had become so well known in foreign countries. Unfortunately, the existence of two names for the Agency has caused considerable confusion. It is not clear to many whether there is one Agency or two, or what the relationship is between USIS and USIA. To eliminate this confusion and cumbersomeness, it is considered important to bring the domestic name of the organization into conformity with the name by which it is already so well known overseas--the "United States Information Service"--so that operations may be carried on under a single name both domestically and abroad.

Estimated Costs of Proposals (State Department and USIA)

Section 1: Estimated cost (Department) - \$100,000

Section 2(a): Estimated cost (Department) - \$486,500

Section 2(b): Estimated cost (Department) - \$847,000

Section 3, Item 1: No additional cost

Section 3, Item 2: Estimated cost (USIA) - \$1000

Section 4: Estimated cost - A small saving would result

Section 5: No additional cost

Section 6(a): Estimated cost (Department) - \$17,000
(USIA) - \$ 1,000

Section 7, Item 1: Estimated cost (USIA) - \$25,000

Section 7, Item 2: Estimated cost (Department) - \$25,000
(USIA) \$ 2,000

Section 8: No additional cost

Section 9: No additional cost

Section 10, New Section 1012: Estimated cost (Department and USIA) - \$12,000

Section 10, New Section 1013: Estimated cost (USIA) - \$125,000

Section 10, New Section 1014: No additional cost